

EXHIBIT 6

AMERICAN ARBITRATION ASSOCIATION
COMMERCIAL DIVISION

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STRAIGHT A COMPANY, LP,

Claimant,

Case No. 01-19-0004-6511

-against-

LA APPAREL, INC.,

Respondent.

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RESPONDENT'S POST-HEARING MEMORANDUM

Dated: November 23, 2020

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APPENDIX A

**CALCULATION OF PROFIT DISTRIBUTION
UNDER AMENDED FORMULA**

FOR 2018

(From: Exhibit C-6; Transcript at 642-661)

| | |
|---|------------------|
| Gross Profit (on Net Sales of \$16.442,603): | \$ 3,987,542 |
| Less: royalties, shared expenses | (738,112) |
| | ===== |
| Distribution before Profit Reserve and commissions: | 3,249,430 |
| Less 5% Profit Reserve (5% of Net Sales above) | <u>(822,130)</u> |
| DISTRIBUTION POOL: | 2,427,300 |

(a) **to Straight A**

Greater of:

6% of adjusted shipments (Net Sales): 986,556.00

OR

44.5% of Distribution Pool: 1,080,148.50 ¹

(b) **balance of Distribution Pool to LA Apparel**

which is 55.5% of Distribution Pool: 1,347,151.50 ²

¹ Previously paid to Straight A = 978,009.00, so Balance due to Straight A = 102,139.50

² Previously paid to LA Apparel = 841,662.00, so Balance due to LA Apparel = 505,489.50